

## Message Text

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PAGE 01 STATE 128935  
ORIGIN EB-08

INFO OCT-01 CAB-05 CIAE-00 COME-00 DODE-00 DOTE-00  
INR-10 NSAE-00 FAA-00 L-03 AF-10 ARA-14 EA-12  
EUR-12 NEA-11 IO-14 PA-02 MMO-04 SIG-03 ISO-00  
/109 R

DRAFTED BY EB/TRA:JRATWOOD:BD  
APPROVED BY EB/TRA:JRATWOOD  
-----074341 220051Z /63

R 212152Z MAY 78  
FM SECSTATE WASHDC  
TO ALL DIPLOMATIC POSTS

UNCLAS STATE 128935

E.O. 11652: N/A

TAGS: EAIR, XX

SUBJECT: CIVAIR: USCAB REVIEW OF IATA RATE-SETTING  
MECHANISM

1. US CIVIL AERONAUTICS BOARD (CAB) TODAY PUBLICLY  
ANNOUNCED THAT IT WOULD SHORTLY (PROBABLY NEXT WEEK) ISSUE  
AN ORDER ASKING ALL INTERESTED PARTIES TO COMMENT ON  
WHETHER THE CURRENT US ANTITRUST EXEMPTION FOR THE RATE-  
SETTING MECHANISM OF THE INTERNATIONAL AIR TRANSPORT  
ASSOCIATION (IATA) SHOULD BE CONTINUED. PARTIES,  
INCLUDING FOREIGN GOVERNMENTS IF THEY WISH, WILL HAVE 120  
DAYS TO SUBMIT VIEWS.

2. CAB PRESS RELEASE, TEXT OF WHICH WILL FOLLOW, REFERS  
TO PRESIDENT CARTER'S COMMITMENT TO COMPETITION IN INTER-  
NATIONAL CIVIL AVIATION AND NOTES THAT BENEFICIAL LOW  
FARES HAVE IN RECENT MONTHS BEEN AVAILABLE IN CERTAIN  
MARKETS NOT CURRENTLY SUBJECT TO IATA RATE AGREEMENTS.  
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GIVEN THIS BACKGROUND, AND FACT THAT THE BOARD HAD NOT  
REVIEWED THE IATA MECHANISM FOR MANY YEARS, A NEW REVIEW  
WAS TIMELY.

3. BOARD RELEASE ALSO NOTES THAT IATA PERFORMS MANY  
ACTIVITIES BENEFICIAL TO INTERNATIONAL AVIATION, BUT IT IS

NEVERTHELESS APPROPRIATE TO EXAMINE WHETHER THE RATE-  
SETTING/TRAFFIC CONFERENCE ARRANGEMENT IS JUSTIFIED  
AND WHETHER ALTERNATIVE METHODS WOULD BE MORE SUITABLE.

4. IN RESPONDING TO INQUIRIES, POSTS COULD OBSERVE THAT  
THE BOARD ACTION IS PRELIMINARY IN NATURE. THE SUB-  
MISSION OF VIEWS OF CARRIERS AND GOVERNMENTS IS ACTIVELY  
ENCOURAGED, AND 120-DAY COMMENT PERIOD IS UNUSUALLY LONG  
UNDER BOARD PRACTICES. DEPARTMENT STANDS READY TO  
FACILITATE TRANSMITTAL OF FOREIGN GOVERNMENT VIEWS TO THE  
BOARD. VANCE

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## Message Attributes

**Automatic Decaptioning:** X  
**Capture Date:** 01 jan 1994  
**Channel Indicators:** n/a  
**Current Classification:** UNCLASSIFIED  
**Concepts:** POLICIES, AIR FARES  
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**Copy:** SINGLE  
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**Decaption Date:** 01 jan 1960  
**Decaption Note:**  
**Disposition Action:** n/a  
**Disposition Approved on Date:**  
**Disposition Case Number:** n/a  
**Disposition Comment:**  
**Disposition Date:** 01 jan 1960  
**Disposition Event:**  
**Disposition History:** n/a  
**Disposition Reason:**  
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**Document Number:** 1978STATE128935  
**Document Source:** CORE  
**Document Unique ID:** 00  
**Drafter:** JRATWOOD:BD  
**Enclosure:** n/a  
**Executive Order:** N/A  
**Errors:** N/A  
**Expiration:**  
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**TAGS:** EAIR, XX, US, CAB, IATA  
**To:** ALL POSTS  
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**Review Markings:**  
Sheryl P. Walter  
Declassified/Released  
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